

BY-LAWS OF ELECTRONIC SECURITY & TECHNOLOGY ASSOCIATION,
INC. (ESTA)

August 9, 2018 (Previously amended March 5, 2009)

ARTICLE I. – PURPOSES

Section 1-1. General Purposes. The purposes of Electronic Security & Technology Association, Inc. (the "Association") shall be:

- A) To stimulate the free exchange of ideas and information to and between members of the Association (the "Members") and the public relating to designing, monitoring and/or integrating special systems such as security alarm systems, fire alarm systems, access control systems, home automation, CCTV and related technologies.
- B) To cooperate with others in matters affecting the business and common interest of the Members.
- C) To promote the interests of industries engaged in A., above
- D) To stimulate wider and more extensive use of the systems and technologies in A., above.
- E) To advance the relations between the suppliers of products and services of the businesses listed in A., above and Members.
- F) To engage in and do any lawful acts concerning any and all lawful business which nonprofit corporations may engage in pursuant to the laws of the Commonwealth of Pennsylvania, provided that such acts are not inconsistent with above stated purposes.
- G) Neither the Association nor any Member shall agree, support or attempt to use any form or action to limit production, fix prices, suppress competition or in any other manner restrain trade or commerce, or to monopolize its industry or any other industry.

ARTICLE II. – OFFICES

Section 2-1. Registered Office. The registered office of the Association shall be located at One Liberty Place, 46th floor, 1650 Market Street, Philadelphia, Pennsylvania 19103 or such other place in the Commonwealth of Pennsylvania as the Board of Directors shall, from time to time, determine.

Section 2-2. Other Offices. The Association may also have offices at such other places within or without the Commonwealth of Pennsylvania as the Board of Directors may, from time to time, determine.

ARTICLE III. – MEMBERSHIP

Section 3-1. No person or entity shall be eligible to become a Member unless such person or entity:

- a) is engaged in the business of designing, installing servicing, monitoring and/or integrating electronic systems such as security alarm systems, fire alarm systems, CCTV surveillance systems, access control systems, home automation, structured cabling, communication systems and/or other like systems, using various technologies, whether traditional or emerging, within the United States or Canada.
- b) has paid the application fee established from time to time by the Board of Directors; and
- c) has filed a written application on forms provided by the Association.
- d) has upheld the principles and/or the code of ethics of the Association.

Section 3-2. Election of Members. An applicant shall become a full voting Member upon the affirmative vote of four (4) Directors after sending a questionnaire to all Members first, and thereafter the affirmative vote (by secret written ballot) of 75% of Members (i) by written, facsimile or email ballot, or (ii) present at any meeting of

the Members at which a quorum is present. If the affirmative vote of at least 75% of the Members or 75% of those present at any meeting of the Members at which a quorum is present is not received, the application fees and dues paid will be refunded in full.

Section 3-3. Suspension, Expulsion and Forfeiture of Members. (revised 8-9-18)

a) Suspension:

(i) Any Member who fails to pay all fees, assessments, dues, or other indebtedness ("DUES") to the Association within 30 days after statement of such obligations has been emailed to it by the Treasurer, shall receive a 30 day overdue notice. If said fees, assessments or dues are not paid within the following 30 days of the overdue notice (i.e., a total of 60 days) that Member will be automatically suspended. No suspended Member or its Representative shall be permitted to hold or continue to hold any office, vote on any matter presented for a vote of the Members, attend Association meetings or receive any other benefits as a Member of the Association, including use of the Association's name or stating that is a Member of the Association.

Upon suspension of the Member, the Secretary shall send by registered mail a Notice of Suspension to said Member, giving that Member 10 days from receipt of the Suspension Notice to pay in full all Dues to the Association. If, after 10 days of receipt of the Suspension Notice, said Member has not paid all Dues then owing to the Association, the Board of Directors will expel such suspended Member from the Association as outlined under Section 3-3 (b)

(ii) Any Member who receives two (2) Suspension Notices for late payment of Dues within a twelve-month period will be expelled from the Association as outlined under Section 3-3 (b)

b) Expulsion: In addition to Expulsion for late or non payment Dues outlined in Section 3-3(a) above, the Board of Directors may, by the vote of 80% of Directors eligible to vote and present at the meeting at which such vote is taken, recommend for expulsion any Member that (i) has submitted a false report to the Association, (ii) has violated any agreement entered into with the Association, or (iii) no longer meets the eligibility requirements established in Section 3-1 (a) and (d).

Expulsion shall become effective immediately upon a ratification of the recommendation of the Board of Directors by 75% of the Members present at a meeting of the Members at which a quorum is present. No Member or Representative of Member which is the subject of the vote to expel shall be entitled to vote on expulsion vote either as a Director or Member and shall not be counted for the determination of whether a quorum is present. The recommendation of the Board of Directors regarding the expulsion of a Member may not be ratified by the Members, unless at least 10 days prior to such ratification, the Secretary shall have sent, by registered mail, to the Member recommend for expulsion, notice of the meeting at which the recommendation of the Board of Directors shall be presented to the Members for ratification. Any Member being considered for expulsion by the Members shall be given the opportunity to question and address the Board of Directors and Members, at the Meeting of Members at which the recommendation of the Board of Directors is being considered. Any Member who is expelled may apply to become a Member in the manner established for new applicants.

c) Forfeiture. A Member will automatically forfeit its membership in the Association if it (i) opens or acquires an office in an SMSA (standard metropolitan statistical area) already containing an office of another Member, or (ii) has a change in ownership of the controlling interest of such Member, in which case the new owner may apply to become a Member in the manner established for new applicants, less the requirement for an application fee.

ARTICLE IV. – MEMBERS' MEETINGS

Section 4-1. Place of Meetings of Members. Meetings of Members shall be held at such place within or without the Commonwealth of Pennsylvania as may be fixed by the Board of Directors from time to time. If no such place is fixed by the Board of Directors, meetings of the Members shall be held at the registered office of the Association.

Section 4-2. General Meeting. A meeting of the Members of the Association shall be held no earlier than every nine (9) months and no later than every fifteen (15) months as determined by a majority of the Members pre-

sent at a duly convened meeting of the Members at which a quorum is present, on such a date as shall be determined from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

At every second general meeting, there shall be held an election for a Board of Directors to serve for a term beginning thirty (30) days after the general meeting at which the Board is elected and until their successors shall have been duly elected and qualified or until their earlier resignation or removal, and there shall be conducted such other business as may properly be brought before the meeting. In all elections of Directors, each Member shall have one vote for each Director then being elected.

Nominations for Directors to be elected at the general meeting shall be made by a nominating committee as provided in Section 5-10 below or may be made by Members prior to the commencement of the general meeting. Any nomination so made by a Member prior to the commencement of the general meeting shall be required to be seconded by at least three (3) other Members before the person nominated may have his name placed on the ballot for Director. All nominations made by the nominating committee shall automatically be placed on the ballot.

Section 4-3. Special Meeting. Special meetings of the Members may be called at any time:

- a) by the President of the Association; or
- b) by a majority of the Board of Directors; or
- c) at the request, in writing, of one-fourth of the Members entitled to vote.

Upon the written request of any person or persons who have duly called, or requested the call of, a special meeting, which request shall set forth the purpose for which the meeting is desired, it shall be the duty of the Secretary to fix the date of such meeting, such date to be not less than five nor more than sixty days after the receipt of such request, as the Secretary may determine, and to give due notice thereof. If the Secretary shall neglect or refuse to fix the date of such meeting and to give notice thereof within ten days after receipt of such request, the person or persons calling, or requesting the call of, the meeting may do so.

Section 4-4. Notices of Meetings of Members. Written notice stating the date, place, hour and purpose of any meeting of Members shall be given to each Member of record entitled to vote at the meeting not less than five (5) nor more than sixty (60) days prior to the day named for the meeting, unless otherwise required by law. Unless it is a general meeting, such notice shall indicate that notice is being issued by or at the direction of the person or persons calling the meeting. A copy of the notice of any meeting shall be given, personally, by mail or email to each Member entitled to vote at such meeting. If mailed, such notice is given to a Member when deposited in the United States mail, with postage thereon prepaid, to its address as it appears on the books or records of the Association, or, if such Member shall have filed with the Secretary of the Association a written request that notices to it be mailed to some other address, then directed to it at such other address.

When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting.

Section 4-5. Quorum of Action by Members. The presence of one-third of the Members in person or by proxy, shall constitute a quorum at all meetings of the Members. The Members present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided by law, adjourn the meeting to such time and place as they may determine, without notice other than the announcement at the meeting of the date, time and place of the adjourned meeting until a quorum shall be present or represented. An adjournment or adjournments of any general or special meeting may be taken. At any adjourned meeting at which a quorum shall be present or represented for the transaction of business, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 4-6. Members' Voting Rights. Every Member of the Association shall be entitled at every meeting of Members to one vote. Voting by Members may be made in person or by proxy. Each member shall, by writing filed with the Secretary of the Association, appoint one person (the "Representative") who shall be one of its proprietors, officers, directors, partners or employees and who shall represent, vote and act for such Member in all the affairs of the Association. The identity of any such Representative may be changed at any time by a written notice sent to the Secretary by the Member. Every proxy must be executed in writing by the Member giving such proxy or its duly authorized officer or attorney. No proxy shall be valid after the first general meeting following the date of its execution unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it, notwithstanding any other agreement or any provision in the proxy to the contrary, but revocation of a proxy shall not be effective until notice thereof has been given to the Secretary of the Association.

Except as otherwise specifically provided by law, all matters coming before the meeting shall be determined by a vote of the Members. Such vote may be taken by voice unless a Member demands that it be taken by ballot, in which event the vote shall be taken by written ballot and the Inspector or Inspectors or, if none, the Secretary of the meeting shall tabulate and certify the results of such vote.

Upon request of a Member, the books or records of the membership shall be produced at any general or special meeting of the Association. If at any meeting the right of a person to vote be challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be Members may vote in person or by proxy.

Section 4-7. Informal Action by Members. Whenever Members are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all of the Members of the Association entitled to vote thereon.

ARTICLE V. – BOARD OF DIRECTORS

Section 5-1. Number. The business and affairs of the Association shall be managed by a Board of five (5) Directors. Each Director shall be elected at every other general meeting of the Members and shall serve until thirty (30) days after the succeeding general meeting and until his successor shall have been elected and qualified, or until his earlier resignation or removal.

Section 5-2. Removal of Directors. Any and all of the Directors may be removed, with or without cause, at any time by vote of two-thirds of the Members present at a special meeting called for that purpose at which a quorum is present. The Board of Directors may declare vacant the office of a Director if he be declared of unsound mind by an order of court, or convicted of a felony, or for any other proper cause, or if, within sixty (60) days after notice of his election, he does not accept such office either in writing or by attending a meeting of the Board of Directors and fulfill such other requirements of qualification as may be required by statute, the Articles of Incorporation or these By-Laws.

Section 5-3. Place of Meeting. Meetings of the Board of Directors may be held at such place within the Commonwealth of Pennsylvania or elsewhere as a majority of the Directors may from time to time appoint, or as may be designated in the notice calling the meeting.

Section 5-4. Regular meeting. A regular meeting of the Board of Directors shall be held immediately following the general meeting of Members at the place where such meeting of the Members is held or at such other place, date and hour as a majority of the newly elected Directors may designate. At such meeting the Board of Directors shall elect officers of the Association. In addition to such regular meeting, the Board of Directors shall have the power to fix, by resolution, the place, date and hour of other regular meetings of the Board.

Section 5-5. Special Meetings. Special meetings of the Board of Directors shall be held whenever ordered by the President or by the Secretary upon the written request of at least three Directors.

Section 5-6. Participation in Meetings by Conference Telephone. A Director may participate in any meeting of the Board of Directors or any committee of the Board if he is a member or alternate member thereof, or when requested by the presiding officer thereof, and may be counted for the purpose of determining a quorum and may exercise all rights and privileges to which he might be entitled were he personally in attendance, including the right to vote, by means of conference telephone or other similar communications equipment by means of which all per-

sons in the meeting can hear each other. When so participating, such Director shall be deemed to be present in person at such meeting for all purposes for which his presence may be required.

Section 5-7. Notices of Meetings of Board of Directors.

- a) Regular Meetings. No notice of any regular meetings shall be required to be given unless the same be held at other than the time or place for holding such meetings, as fixed in accordance with Section 5-4 of these By-Laws, in which event three (3) days' notice shall be given of the time and place of such meeting.
- b) Special Meetings. At least two (2) days' notice shall be given of the time when and place where any special meeting of the Board of Directors is to be held and, if deemed appropriate by the person or persons by whom, or at whose request, the meeting is called, of the purpose or purposes thereof.

Section 5-8. Quorum. At all meetings of the Board, or of any committee thereof, a majority of the Directors or members of such committee shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors or committee members present at any meeting at which a quorum is present shall be construed as the acts of the Board of Directors or such committee, except as may otherwise be specifically provided by statute or the Articles of Incorporation. If there is no quorum present at a duly convened meeting of the Board of Directors or any committee thereof, the Directors or members present thereof may adjourn the meeting from time to time and place to place without notice other than an announcement at the meeting until a quorum shall be present.

Section 5-9. Informal Action by the Board of Directors. Any action which may be taken at a meeting of the Directors, or of the members of any committee of the Board, if there be such, may be taken without notice and without a meeting if, prior or subsequent to the taking of such action, a consent or consents in writing, setting forth the action so taken, shall be signed by all of the Directors, or members of the committee, as the case may be, and shall be filed with the Secretary of the Association.

Section 5-10. Powers.

- a) General Powers. The Board of Directors shall have all the power and authority granted by law to the Board of Directors, including all powers necessary or appropriate to the management of the business and affairs of the Association.
- b) Specific Powers. Without limiting the general powers conferred by the last preceding clause and the powers conferred by the Articles of Incorporation and these By-Laws of the Association, it is hereby expressly declared that the Board of Directors shall have the following powers:
 - 1. To confer upon any officer or officers of the Association the power to choose, remove or suspend assistant officers, agents or servants.
 - 2. To fix the place, time and purpose of meetings of Members.
 - 3. To designate committees from among the Directors or any other persons associated with any Members for purposes fixed in the resolution creating such committees.
 - 4. To elect new Members to the Association, as provided in Sections 3-2 hereof.
 - 5. To suspend and recommend the expulsion of a Member, as provided in these By-Laws.
- c) Nominating Committee. Not more than four (4) months prior to the date of the general meeting of the Association at which the Board of Directors is to be elected, the Board of Directors shall appoint a nominating committee of not less than (3) persons, who need not be Directors, who shall prepare a list of candidates for Directors to be elected at such general meeting. The committee shall notify the Secretary in writing, at least sixty (60) days before the date of the general meeting, of the names of such candidates, and the Secretary shall send a copy thereof to each Member simultaneously with the notice of the meeting.

Section 5-11. Vacancies. Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of Directors, shall be filled by a majority of the remaining members of the Board of Directors though less than a quorum, and each person so elected shall be a Director until his successor is duly elected by the Members, who may make such election at the next general meeting of Members or at any special meeting duly called for that purpose and held prior thereto, or until his earlier resignation or removal.

ARTICLE VI. – OFFICERS

Section 6-1. Election and Office. The Association shall have a President, a Vice-President, a Secretary and a Treasurer, who shall be elected by the Board of Directors. No person may hold more than one such office. The Board of Directors may elect as additional officers one or more assistant officers. The President, Vice-President, Secretary and Treasurer shall be selected from and among the Directors, but no other officer need be a Director. In the event the President, Vice-President, Secretary or Treasurer shall cease to be a Director, such person shall automatically cease to be an officer of the Association.

Section 6-2. Term. The President, Vice President, Secretary and Treasurer shall each serve for a term beginning thirty days after their election and shall serve until thirty days after the regular meeting of the Board of Directors immediately following the General Meeting at which the Board of Directors is elected and until their respective successors are duly elected and qualified, unless removed from office by the Board of Directors during their respective tenures. The term of office of any other officer shall be as specified by the Board of Directors. If, however, the term of office of any officer elected or appointed pursuant to this Section 6-2 or to Section 6-8 below shall have been fixed by the Board of Directors or the President acting under authority delegated by the Board of Directors, such officer shall cease to hold office not later than the date of expiration of such Term, regardless of whether any other person shall have been elected or appointed to succeed such officer. Any officer may resign by written notice to the Association and may be removed, with or without cause, by the Board of Directors or the President.

Section 6-3. Powers and Duties of the President. The President shall be the chief executive officer of the Association and shall have general and active management of its affairs. In the exercise of his duties and subject to the limitations of the laws of the Commonwealth of Pennsylvania, these By-Laws, and the actions of the Board of Directors, he may appoint, suspend and discharge employees and agents of the Association, shall preside at all meetings of the Members and at all meetings of the Board of Directors at which he shall be present. He shall also do and perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6-4. Powers and Duties of the Vice-President. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 6-5. Powers and Duties of the Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors, Members and all committees, in books provided for that purpose, and shall attend to the giving and serving of all notices for the Association. He shall have charge of the membership rolls, and such other books and papers as the Board of Directors may direct. He shall perform all other duties ordinarily incident to the office of Secretary and shall have such other powers and perform such other duties as may be assigned to him by the Board of Directors.

Section 6-6. Powers and Duties of the Treasurer. The Treasurer shall have charge of all the funds and securities of the Association which may come into his hands. When necessary or proper, unless otherwise ordered by the Board of Directors, he shall endorse for collection on behalf of the Association checks, notes and other obligations, and shall deposit the same to the credit of the Association in such banks or depositories as the Board of Directors may designate and shall sign all receipts and vouchers for payments made to the Association. He shall sign all checks made by the Association except when the Board of Directors shall otherwise direct. He shall enter regularly, in books of the Association to be kept by him for that purpose, full and accurate account of all moneys received and paid by him on account of the Association. Whenever required by the Board of Directors, he shall render a statement of the financial condition of the Association. He shall at all reasonable times exhibit his books and accounts to any Director of the Association, upon application at the principal office of the Association. He shall have such other powers and shall perform such other duties as may be assigned to him from time to time by the Board of Directors. He shall give bond for the faithful performance of his duties as shall be required by the Board of Directors, and such bond shall remain in the custody of the President.

Section 6-6-1. Powers and Duties of Member-at-Large. The fifth member of the Board of Directors who is not elected an officer shall be designated the Member-at-Large, and his duties will be assigned by the President.

Section 6-7. Powers and Duties of Assistant Officers. Each assistant officer shall have the powers and perform the duties of his respective superior officer. Assistant officers shall have such rank as shall be designated by the Board of Directors and each, in order of rank, shall act for such superior officer in his absence, or upon his disability, or when so directed by such superior officer or by the Board of Directors. The Vice-President shall be the superior officer of the assistant vice-president. The Secretary shall be the superior officer of the assistant secretaries. The Treasurer shall be the superior officer of the assistant treasurers.

Section 6-8. Delegation of Office. The Board of Directors may delegate the powers or duties of any officer of the Association to any other officer or to any Director from time to time.

Section 6-9. Vacancies. The Board of Directors shall have the power to fill any vacancies in any office occurring for whatever reason.

ARTICLE VII. – NOTICES

Section 7-1. Contents of Notice. Whenever any notice of a meeting is required to be given pursuant to these By-Laws or the Articles of Incorporation or otherwise, the notice shall specify the place, day and hour of the meeting. In the case of a special meeting of Members or where otherwise required by law, the notice shall state the general nature of the business to be transacted at such meeting.

Section 7-2. Method of Notice. All notices shall be given to each person entitled thereto, either personally or by sending a copy thereof through the mail or by email to his mail or email address appearing on the records of the Association, or supplied by him to the Association for the purpose of notice. If notice is sent by mail it shall be deemed to have been given to the person entitled thereto when deposited in the United States Mail. If no address for a Member appears on the records for the Association and such Member has not supplied the Association with an address for the purpose of notice, notice deposited in the United States Mail, addressed to such Member care of General Delivery in the city in which the registered office of the Association is located, shall be sufficient.

Section 7-3. Waiver of Notice. Whenever any notice is required to be given under the provisions of any statute or of the Articles of Incorporation or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Neither the business to be transacted at, nor the purpose of, any regular meeting of Members or regular or special meeting of Directors or of a committee of Directors need be specified in any written waiver of notice, but such business or purpose shall be specified in a written waiver of notice of any special meeting of Members.

ARTICLE VIII. – INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

Section 8-1. Indemnification of Authorized Representatives in Third Party Proceedings. The Association shall indemnify any person who was or is an "authorized representative" of the Association (which shall mean for purposes of this Article a director or officer of the Association, or a person serving at the request of the Association as a director, officer, or trustee, of a corporation, partnership, joint venture, trust or other enterprise) and who was or is a "party" (which shall include for purposes of this Article the giving of testimony or similar involvement) or is threatened to be made a party to any "third party proceeding" (which shall mean for purposes of this Article any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Association) by reason of the fact that such person was or is an authorized representative of the Association, against expenses (which shall include for purposes of this Article attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such third party proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, and best interests of the Association and, with respect to any criminal third party proceeding (which could or does lead to a criminal third party proceeding) had no reasonable cause to believe such conduct was unlawful. The termination of any third party proceeding by judgment, order, settlement, indictment, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the

authorized representative did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to, the best interests of the Association, and, with respect to any criminal third party proceeding, has reasonable cause to believe that such conduct was unlawful.

Section 8-2. Indemnification of Authorized Representatives in Corporate Proceedings. The Association shall indemnify any person who was or is an authorized representative of the Association and who was or is a party, or is threatened to be made a party to any "corporate proceeding" (which shall mean for purposes of this Article any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor or investigative proceeding by the Association) by reason of the fact that such person was or is an authorized representative of the Association, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such Association action if such person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Association unless and only to the extent that the court in which such corporate proceeding was pending shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such authorized representative is fairly and reasonably entitled to indemnify for such expenses which the court shall deem proper.

Section 8-3. Mandatory Indemnification of Authorized Representatives. To the extent that an authorized representative of the Association has been successful on the merits or otherwise in defense of any third party or corporate proceeding or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith

Section 8-4. Determination of Entitlement to Indemnification. Any indemnification under Sections 8-1, 8-2, or 8-3 of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the authorized representative is proper in the circumstances because such person has either met the applicable standard of conduct set forth in Section 8-1 or 8-2 or has been successful on the merits or otherwise as set forth in Section 8-3 and that the amount requested has been actually and reasonably incurred. Such determination shall be made:

1. by the Board of Directors by a majority of a quorum consisting of directors who were not parties to such third party or corporate proceeding, or
2. if such a quorum is not obtainable, or, even if obtainable, a majority vote of such a quorum so directs, by independent legal counsel in a written opinion, or
3. By the members.

Section 8-5. Advancing Expenses. Expenses actually and reasonably incurred in defending a third party or corporate proceeding shall be paid by the Association on behalf of an authorized representative, in advance of the final disposition of such third party or corporate proceeding, as authorized in the manner provided in Section 8-4 of this Article, upon receipt of an undertaking by or on behalf of the authorized representative to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Association as authorized in this Article. The financial ability of such authorized representative to make such repayment shall not be a prerequisite to the making of an advance.

Section 8-6. Scope of Article. The indemnification of authorized representatives, as authorized by this Article, shall (1) not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of Members or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity, (2) continue as to a person who has ceased to be an authorized representative and (3) inure to the benefit of the heirs, executors and administrators of such a person.

Section 8-7. Reliance on Provisions. Each person who shall act as an authorized representative of the Association shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

ARTICLE IX. – MEMBERSHIP FEES, DUES AND ASSESSMENTS

Section 9-1. Dues and Assessments. Each Member shall pay such dues and assessments as shall, from time to time, be recommended by the Board of Directors and ratified by the vote of a majority of the Members present at any regular or special meeting.

Section 9-2. Payment of Dues. Dues are payable upon presentation of invoice.

ARTICLE X. – RESIGNATION

Section 10-1. Resignation. Any Member may resign from the Association by a written resignation, delivered to the Secretary of the Association, in person or by mail or email, which resignation shall become effective on the later of the date named therein or thirty (30) days from the date thereof. A Member shall be liable for the payment of the full dues and assessments which shall become due and payable before the effective date of his resignation, unless such dues or assessments are remitted as provided in Section 10-2 below. No resignation of any Member shall be effective, unless and until all indebtedness of such Member to the Association has been paid in full and all documents of other tangible records, and any and all copies thereof, within the Member's possession, custody or control, containing any "Restricted Information" as defined in Section 14-1, have been returned to the Association.

Section 10-2. Remission of Dues and Assessments. The Board of Directors may, in their sole discretion, at any time, remit all or part of the dues and assessments paid by any Member.

ARTICLE XI. – FISCAL YEAR

Section 11-1. Determination. The Board of Directors shall have the power by resolution to fix the fiscal year of the Association. If the Board of Directors shall fail to do so, the President shall fix the fiscal year.

ARTICLE XII. – LIMITATIONS ON AUTHORITY

Section 12-1. Actions on Behalf of the Association. No Member or other person or entity shall incur any obligations on behalf of the Association or announce any policy in the name of the Association without the prior approval of the Board of Directors.

Section 12-2. Expenditures. The Treasurer may not make any expenditure not previously authorized by the President or the Board of Directors. The President may not authorize any expenditure in excess of \$1,500.00 without the prior approval of the Board of Directors. The Board of Directors may not authorize any expenditure in excess of \$5,000.00, except for the general meeting hotel bill, without the prior approval of a majority vote of Members present at a meeting at which a quorum is present.

ARTICLE XIII. – AMENDMENTS

Section 13-1. Method of Amendment. These By-Laws may be amended or repealed or new By-Laws may be adopted, by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

ARTICLE XIV. – NON-DISCLOSURE AND NON-USE

Section 14-1. Each Member, by virtue of being a Member, acknowledges that it has and/or will, in the course of, or incident to, its membership in the Association, obtain from the Association and from other Members, trade secrets and other confidential business information (all of which are hereinafter referred to as "Restricted Information," which term shall include all information obtained from the Association and/or from other Members that is not known by, or generally available to, the industry at large). Each Member shall during the term of its membership in the Association, and at all times thereafter, hold all and each portion of the Restricted Information in the strictest confidence. Upon termination of its membership in the Association, for any reason whatever, each Member will immediately return to the Association all documents or other tangible records, and any and all copies thereof, within its possession, custody or control, containing or reflecting any information concerning the Restricted Information, or any portion thereof.

Section 14-2. Violation of Non-Disclosure and Non-Use Provision.

- a) Any violation by a Member of Section 14-1 shall result in immediate termination of said Member's membership in the Association.
- b) Each Member acknowledges that the restrictions contained in Section 14-1 hereof are reasonable and necessary in order to (i) encourage cooperation among the Members and (ii) to promote the uninhibited exchange of ideas among Members while protecting the legitimate interest of the Association and its Members and that any violation thereof would result in irreparable injury to the Association and its Members. Consequently, each Member acknowledges and agrees that in the event any violation of Section 14-1, the Association and/or any of its Members shall be authorized and entitled to obtain from any court of competent jurisdiction, preliminary and permanent injunctive relief, as well as an equitable accounting of all profits and benefits arising out of such violation, which rights and remedies shall be cumulative, and in addition to any other rights or remedies to which the Association and/or any of its Members may be entitled.

ARTICLE XV.

Section 15-1. Acknowledgment. Each Member shall signify its acceptance of all of the terms of these By-Laws, and in particular of Article XIV (Non-Disclosure and Non-Use) by signing and dating at the place indicated below.

ACCEPTED AND AGREED TO:

(The signature and date of each member representative is on separate sheets.)